

EXHIBIT "A"
TO MASTER DEED FOR MAGNOLIA PLACE HORIZONTAL
PROPERTY REGIME

PHASE I

ALL AND SINGULAR, that certain piece, parcel or tract of land located in Horry county, South Carolina, containing 0.72 acres and being shown and designated as "Phase 6" on that certain map or plat entitled "PHASING PLAT OF PHASE 6, TRACT B, MAGNOLIA PLACE, WEST OF MYRTLE BEACH, HORRY COUNTY, SOUTH CAROLINA" prepared for Heritage Communities, Inc. by Robert L. Bellamy & Associates, Engineers & Surveyors, dated March 6, 1995, and recorded April 4th, 1995, in Plat Book 133 at Page 124 records of Horry County, South Carolina.

TOGETHER WITH a nonexclusive, appurtenant, perpetual easement over, under, through, and across the property described in Exhibit "A" to that certain Corrective Easement Agreement between Myrtle Beach Farms Company, Inc. and Heritage Communities, Inc., dated April 4, 1995, and recorded April 7th, 1995, in Deed Book 1793 at Page 991, as amended by instrument dated October 16, 1995 and October 17, 1995 in Deed Book 1826 at Page 1484, records of Horry County, South Carolina, and subject to and in accordance with the terms thereof, which is incorporated herein by this reference.

This being the identical property conveyed to Heritage Communities, Inc. hereby by Corrective Deed of Myrtle Beach Farms Company, Inc. dated April 4, 1995 and recorded April 7, 1995 in Deed Book 1793 at Page 998, records of Horry County, South Carolina.

RESERVING, HOWEVER, unto the GRANTOR, its successors and assigns, a non-exclusive perpetual, appurtenant easement for ingress, egress, and the installation and maintenance of utilities over, across and through that certain area designated as "22' INGRESS/EGRESS EASEMENT" on a plat prepared for Heritage Communities, Inc. by Robert L. Bellamy & Associates, Engineers & Surveyors dated March 6, 1995 entitled "PHASING PLAT OF PHASE 6, TRACT B, MAGNOLIA PLACE, WEST OF MYRTLE BEACH, HORRY COUNTY, SOUTH CAROLINA" which plat is recorded in Plat Book 133 at Page 124, records of Horry County, South Carolina, reference to which is craved as forming a part and parcel of these presents.

PHASE II

ALL AND SINGULAR, all that certain piece, parcel or tract of land located in Horry County, South Carolina, containing 1.26 acres and being shown and designated as "Phase 5" on that certain map or plat entitled "PHASING

PLAT OF PHASE 5, TRACT B, MAGNOLIA PLACE, WEST OF MYRTLE BEACH, HORRY COUNTY, SOUTH CAROLINA" prepared by Robert L. Bellamy & Associates, Engineers & Surveyors, for Heritage Communities, Inc. dated March 6, 1995, and recorded April 7, 1995 in Plat Book 133 at Page 123, records of Horry County, South Carolina, reference to which is carved as forming a part of these presents.

TOGETHER WITH a nonexclusive, appurtenant, perpetual easement over, under, through, and across the property described in Exhibit "A" to that certain Corrective Easement Agreement between Myrtle Beach Farms Company, Inc. and Heritage Communities, Inc., dated April 4, 1995 and recorded April 7, 1995 in Deed Book 1793 at Page 991, as amended by instrument dated October 16, 1995 and recorded October 17, 1995 in Deed Book 1826 at Page 1484, records of Horry County, South Carolina, and subject to and in accordance with the terms thereof, which is incorporated herein by this reference.

RESERVING, HOWEVER, to the GRANTOR, its successors and assigns, a perpetual, non-exclusive, appurtenant, easement for ingress, egress and installation and maintenance of utilities over, across and through that certain area shown and designated as "22' INGRESS/EGRESS EASEMENT" on a map prepared by Robert L. Bellamy & Associates, Engineers & Surveyors dated March 6, 1995, revised July 11, 1995 entitled "PHASING PLAT OF PHASE 5, TRACT B, MAGNOLIA PLACE, WEST OF MYRTLE BEACH, HORRY COUNTY, SOUTH CAROLINA" surveyed for Heritage Communities, Inc., which plat is recorded in Plat Book 135 at Page 41, records of Horry County, South Carolina, reference to which is carved as forming a part and parcel of these presents.

This being the identical property conveyed to Heritage Communities, Inc. hereby by Deed of Myrtle Beach Farms Company, Inc. dated April 4, 1995 and recorded April 7, 1995 in Deed Book 1793 at Page 1003, records of Horry County, South Carolina.

MAGNOLIA PLACE HORIZONTAL PROPERTY REGIME

EXHIBIT "B"
TO
MASTER DEED

Note: Exhibit "B" is a survey prepared by Robert L. Bellamy & Associates, Inc. Consulting Engineers, Planners and Surveyors dated November 13, 1995 (the "Survey"), which shows the location of the buildings and other improvements of Phase I and Phase II and a set of floor plans for Building 6 (Phase I) dated November 18, 1994 and last revised February 23, 1995 prepared by Kenneth R. Sanders, Registered Architect, and a set of floor plans for Building 5 (Phase II) dated November 18, 1994 and last revised February 23, 1995 prepared by Kenneth R. Sanders, Registered Architect (both of the aforesaid sets of floor plans are collectively referred to herein as the "Plans"). The Plans and Survey show graphically the dimensions, area and location of each UNIT therein and the dimensions, area and location of COMMON ELEMENTS and LIMITED COMMON ELEMENTS affording access to each UNIT. Both the Survey and Plans are recorded in Condominium Plat Book Q at Page 358, records of Horry County, South Carolina and are incorporated herein by this reference. Said Exhibit further includes the following:

There is one building, also identified as Building 6, containing fifteen (15) UNITS in Phase I. There is one building, also identified as Building 5, containing fifteen (15) UNITS in Phase II. Each UNIT is identified by a separate UNIT number on the Plans. Each UNIT which has the number "6" as the first digit of its UNIT identification number is located in Building 6, as shown on the Survey and Plans. Each UNIT which has the number "5" as the first digit of its UNIT identification number is located in Building 5, as shown on the Survey and Plans. Phase I, for purposes of this Master Deed shall consist of Building 6 and the UNITS contained therein. Phase II shall consist of Building 5 and the UNITS contained therein. Each building is three (3) levels in height and contains five (5) UNITS on each level. All UNITS having the number "1" as the digit immediately following the dash in its UNIT number designation are located on level one (1) of the building. All UNITS having the number "2" as the digit of the UNIT number designation immediately following the dash are on level two (2) of the building. All UNITS having the number "3" as the digit of the UNIT number designation immediately following the dash are located on level three (3) of the building. Each UNIT is individually numbered using the UNIT number identified or shown both on the Plans and on Exhibit "C" to this Master Deed.

As shown on the Plans, each UNIT has an entrance door opening onto a corridor which corridor is a COMMON ELEMENT. Access to the second and third levels of each building is by way of two (2) sets of stairways and an elevator. Both the stairways and elevator are

COMMON ELEMENTS. In addition, each UNIT has an exterior storage room for its exclusive use, as shown on the Plans. Such exterior storage room is located on the same floor as the applicable UNIT and is designated with the letter "S" followed by a dash and a three (3) digit number which corresponds to the last three (3) digits of the UNIT on that floor to which its use is exclusive. Such exterior storage room is a LIMITED COMMON ELEMENT for the use of that UNIT on that level which has the same last three (3) digits in its UNIT number. The exterior storage room located on each floor which is not designated for use by any one (1) UNIT is a COMMON ELEMENT.

Parking is provided in the parking areas shown on the Survey within the property being submitted herewith as Phase I and Phase II pursuant to the terms of this Master Deed. The parking areas are also COMMON ELEMENTS.

Each one (1) bedroom UNIT, as shown on the Plans, contains a great room with dining area, a kitchen, a bedroom and a bath. Each two (2) bedroom UNIT, as shown on the plans, contains a living area, dining area, kitchen, two (2) bedrooms, two (2) baths and closets as shown on the Plans. The patios and decks, as shown on the Plans, are LIMITED COMMON ELEMENTS for the use and benefit of the UNIT from which it is directly accessible and adjacent to.

As to each UNIT: All built-in kitchen appliances, the refrigerator, heating and air-conditioning units and condensers, hot water heaters and bathroom fixtures located in each UNIT are a part of the UNIT in which they are located and are not COMMON ELEMENTS. The air handling units which serve each UNIT are a part of the UNIT which it serves and are not COMMON ELEMENTS, notwithstanding that they are located outside of the UNIT.

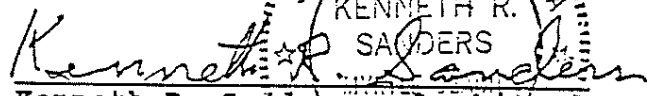
References to areas as COMMON ELEMENTS or common areas in this Exhibit shall be in addition to and read in conjunction with the further designation of COMMON ELEMENTS as set out in other portions of this Master Deed and the Survey and Plans making up the balance of this Exhibit "B".

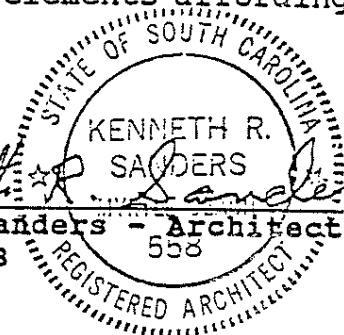
This Exhibit "B" shall be amended if Phase III through Phase LX, or any one or more of such phases, shall become a part of Magnolia Place Horizontal Property Regime in accordance with the terms of this Master Deed.

Kenneth R. Sanders, Architect
831 N. Kings Highway
Myrtle Beach, SC 29577

ARCHITECT'S CERTIFICATION
RE: MAGNOLIA PLACE PHASE II (BLDG 5)

The attached floor plans and elevations consisting of 3 sheets numbered A1, A2 and A3, dated November 18, 1994 and last revised February 23, 1995, prepared by Kenneth R. Sanders, Architect, show graphically the layout, dimensions, area, unit numbers, and the location of the units therein and the dimensions, area and location of common elements affording access to each unit.


Kenneth R. Sanders - Architect
SC Cert # 558

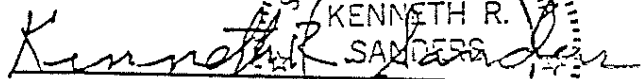


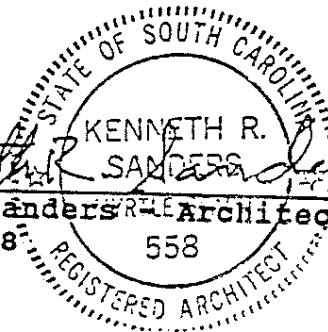
Dated: November 17, 1995

Kenneth R. Sanders, Architect
831 N. Kings Highway
Myrtle Beach, SC 29577

ARCHITECT'S CERTIFICATION
RE: MAGNOLIA PLACE PHASE I (BLDG 6)

The attached floor plans and elevations consisting of 3 sheets numbered A1, A2 and A3, dated November 18, 1994 and last revised February 23, 1995, prepared by Kenneth R. Sanders, Architect, show graphically the layout, dimensions, area, unit numbers, and the location of the units therein and the dimensions, area and location of common elements affording access to each unit.


Kenneth R. Sanders, Architect
SC Cert # 558



Dated: November 17, 1995

MAGNOLIA PLACE HORIZONTAL PROPERTY REGIME

EXHIBIT "C"
TO
MASTER DEED

Schedule of percentage (%) of undivided interest in the COMMON ELEMENTS appurtenant to UNITS in Magnolia Place, a condominium, including Phase I and Phase II. Statutory Value is for statutory purposes only and has no relationship to the actual value of each UNIT.

UNIT Number Phase I	Statutory Value	Percentage Interest (Phases I & II Only)
PHASE I		
6-101	49,000	2.6776
6-102	69,000	3.7705
6-103	69,000	3.7705
6-104	69,000	3.7705
6-105	49,000	2.6776
6-201	49,000	2.6776
6-202	69,000	3.7705
6-203	69,000	3.7705
6-204	69,000	3.7705
6-205	49,000	2.6776
6-301	49,000	2.6776
6-302	69,000	3.7705
6-303	69,000	3.7705
6-304	69,000	3.7705
6-305	49,000	2.6776
PHASE II		
5-101	49,000	2.6776

5-102	69,000	3.7705
5-103	69,000	3.7705
5-104	69,000	3.7705
5-105	49,000	2.6776
5-201	49,000	2.6776
5-202	69,000	3.7705
5-203	69,000	3.7705
5-204	69,000	3.7705
5-205	49,000	2.6776
5-301	49,000	2.6776
5-302	69,000	3.7705
5-303	69,000	3.7705
5-304	69,000	3.7705
5-305	49,000	2.6776
Total Statutory Value for Phase I & Phase II	\$1,830,000	100.000% (rounded to nearest one thousandth)

In addition, up to fifty-eight (58) more buildings may be added as Phases III through LX, or any of them. As each Phase is added, the total statutory value of all Phases submitted and constituting Magnolia Place Horizontal Property Regime at that time and the percentage interest of each UNIT therein may be determined using the formula hereinafter set forth. To determine the percentage interest of each UNIT, utilize a formula with the statutory value of each UNIT set forth in the chart below as the numerator with the total statutory value of Magnolia Place Horizontal Property Regime at that time (including the Phase being submitted and any Phases previously submitted) as the denominator. The resulting fraction shall then be expressed as a percentage rounded to the nearest .0001. The statutory value of each building to be contained within Phases III through LX, or any of them, if constructed and submitted, shall be in accordance with the chart contained herein. The building number as referred to herein has no relationship to the Phase in which it will be contained, but is merely for identification.

In the event the GRANTOR elects, in accordance with the provisions of the Master Deed to which this Exhibit is attached, to proceed with the development of Phase III through Phase LX or so

many of said phases as it might elect, within the time provided in the Master Deed, the percentage of undivided interest appurtenant to each UNIT in Phase I through Phase LX, as of the date of recording the amendment incorporating each additional Phase, will automatically be the percentage to be set forth in a chart which GRANTOR must record as part of its election to construct and submit Phase III through LX, or so many of them as GRANTOR might elect. Such percentage interest shall be determined by the ratio of the statutory value of the individual UNIT as the same bears to the total statutory values of all UNITS within the Condominium. Provided, however, the assigned values to be reflected in the chart for UNITS in additional phases must be the values provided in the following schedule depending on the type of unit involved as follows:

<u>Type</u>	<u>Statutory Value</u>
Studio Unit	\$35,000
1 Bedroom Unit	\$49,000
2 Bedroom Unit	\$69,000

The GRANTOR may construct in Phase III and any subsequent phases through Phase LX any combination of Studio, 1 or 2 Bedroom UNITS, provided that GRANTOR at the time of recording its election specifies in the chart amending this Exhibit "C" the percentage of interest of each UNIT in Phase I, Phase II and so many additional phases as might have at that time been incorporated hereunder, using the values of the different UNITS assigned above. Each Phase shall consist of one Building and related improvements, with no less than ten (10) UNITS and no more than fifteen (15) UNITS in each Building.

Each additional Phase shall have a minimum total statutory value based on the sum of all statutory values of all UNITS within that phase of \$350,000 and a maximum total statutory value of all UNITS, within that phase of \$1,035,000. Therefore, the minimum and maximum percentage interest of each UNIT within Phase I and Phase II, at any time during the development and submission of additional phase(s) to Magnolia Place Horizontal Property Regime may be determined by use of the formula hereinafter provided.

The actual percentage interest of each UNIT may be computed in accordance with the following formula with the result obtained from such formula being then expressed as a percentage:

Statutory Value of the UNIT =

Total Statutory Value of all
UNITS submitted to the
Horizontal Property Regime

Percentage Interest of
the UNIT
(Expressed as a Percentage)

EXHIBIT "D"

ARTICLES OF INCORPORATION

OF

MAGNOLIA PLACE PROPERTY OWNERS' ASSOCIATION, INC.

The undersigned subscribers, desiring to form a nonprofit corporation under South Carolina statutes, as amended, hereby adopt the following Articles of Incorporation:

ARTICLE I

NAME

The name of the corporation shall be Magnolia Place Property Owners' Association, Inc. which is hereinafter referred to as the "Association".

ARTICLE II

PURPOSES AND POWERS

The purpose of the Association is to manage the affairs of Magnolia Place Horizontal Property Regime, a Horizontal Property Regime established pursuant to the terms of the Master Deed therefor, filed or to be file din the Office of the RMC for Horry County, South Carolina (the "Master Deed").

The Association is not organized for profit and no part of the net earnings, if any, shall inure to the benefit of any member or individual person, firm or corporation.

The Association shall have all of the common law and statutory powers of a nonprofit corporation. The Association shall also have all of the powers necessary to implement the purposes of the Association and to provide for the general health and welfare of its membership.

ARTICLE III

MEMBERS

Section 1. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any UNIT which is subject by the Master Deed to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership.

Class I. Class I members shall be all those Owners as defined in Article XIV, in the Master Deed. Class I members shall be entitled to one vote for each UNIT in which they hold the interest required for membership. When more than one person holds such interest or interests in a UNIT, all such persons shall be members; however, they shall select one (1) member to vote, which such member shall be designated as the "Voting Member" and shall be so designated in writing to the Secretary of the Association. In no event shall more than one (1) vote be cast with respect to any UNIT.

Developer Class II. The sole Class II member shall be the GRANTOR. The Class II member shall be entitled to four (4) votes for each UNIT in which it holds the interest required for membership by Article XIV in the Master Deed provided that the Class II membership shall continue only so long as any phase of the Condominium Project has not been submitted to the Horizontal Property Regime, or GRANTOR, its successors or assigns, is the Owner of Eight (8) or more UNITS in the entire CONDOMINIUM. GRANTOR reserves the right at any time to terminate Class II membership by filing an instrument in the records of the Clerk of Court of Horry County, so doing and in any event the Class II membership shall terminate no later than December 31, 2003.

Section 3. Meetings of Members. The By-Laws of the Association shall provide for an annual meeting of the members, and may make provisions for regular and special meetings of the members other than the annual meeting. A quorum for the transaction of business at any meeting of the members shall exist if fifty-one (51%) percent of the members shall be present. Action may be taken by majority vote of those members present at any meeting. So long as a quorum is present at the opening of the meeting, business may be transacted until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum in attendance. Further, at any adjourned meeting at which a quorum is present at the reconvening of such meeting, any business may be transacted which might have been transacted at the original meeting and notwithstanding the withdrawal of enough members to leave less than a quorum in attendance.

Section 4. Principal Office. The initial principal office of the Corporation shall be located at Suite C, 1201 48th Avenue North, Myrtle Beach, South Carolina 29577; however, the Corporation may maintain offices and transact business in such other places within or without the State of South Carolina as may from time to time be designated by the Board of Directors.

ARTICLE IV

CORPORATE EXISTENCE

The Association shall have perpetual existence.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Management by Directors. The property, business and affairs of the Association shall be managed by a Board of Directors, which shall consist initially of three (3) persons. The Board shall be increased thereafter to five (5) persons as provided in Article III of the By-Laws. A majority of the directors in office shall constitute a quorum for the transaction of business. The By-Laws shall provide for meetings of directors, including an annual meeting.

Section 2. Original Board of Directors. The names and addresses of the first Board of Directors of the Association, who shall hold office until the first annual meeting of members until qualified successors are duly elected and have taken office, shall be as follows:

1. Jack L. Green 1201 - 48th Avenue North
Myrtle Beach, SC 29577
2. Roger H. Van Wie 1201 - 48th Avenue North
Suite C
Myrtle Beach, SC 29577
3. Martin Bellamy 7421 North Kings Highway
Myrtle Beach, SC 29572

Section 3. Election of Members of Board of Directors. Except for the first Board of Directors, directors shall be elected by the Members as provided by the By-Laws of the Association. The By-Laws may provide for the method of voting in the election and for removal from office of directors. After GRANTOR gives up control of the Association, all directors shall be Owners of UNITS in Magnolia Place Horizontal Property Regime or shall be authorized representatives, officers, or employees of corporate members of the Association.

Section 4. Duration of Office. Members elected to the Board of Directors shall hold office for such periods of time as are set out in the By-Laws.

Section 5. Vacancies. If a director elected by the general membership shall for any reason cease to be a director, the remaining directors so elected may elect a successor to fill the vacancy for the balance of the unexpired term.

ARTICLE VI

OFFICERS

Section 1. Officers Required. The Association shall have a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time elect.

Section 2. Election and Appointment of Officers. The officers of the Association, in accordance with any applicable provision of the By-Laws, shall be elected by the Board of Directors for terms of one year and until qualified successors are duly elected and have taken office. The By-Laws may provide for the method of voting in the election, for the removal from office of officers, for filling vacancies, and for the duties of the officers. The President and Vice President shall be directors; other officers may or may not be directors of the Association. If the office of President shall become vacant for any reason, or if the President shall be unable or unavailable to act, the Vice President shall automatically succeed to the office or perform its duties and exercise its powers. If any office other than that of the President shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy.

Section 3. First Officers. The names and addresses of the first officers of the Association, who shall hold office until the first annual meeting of directors and until successors are duly elected and have taken office, shall be as follows:

<u>Office</u>	<u>Name</u>	<u>Address</u>
President	Roger H. Van Wie	1201 - 48th Avenue North Suite C Myrtle Beach, SC 29577
Vice President	Martin Bellamy	7421 North Kings Highway Myrtle Beach, SC 29572
Secretary/ Treasurer	Jack L. Green	1201 - 48th Avenue North Myrtle Beach, SC 29577

ARTICLE VII

BY-LAWS

The Board of Directors shall adopt By-Laws consistent with these Articles of Incorporation. Such By-Laws may be altered, amended or repealed in the manner set forth in the By-Laws.

ARTICLE VIII

AMENDMENTS

Section 1. Amendments to these Articles of Incorporation shall be proposed and approved by the Board of Directors by majority vote.

Section 2. In case of any conflict between these Articles of Incorporation and the By-Laws, these Articles shall control; and in case of any conflict between these Articles of Incorporation and the said Master Deed for Magnolia Place Horizontal Property Regime, the said Master Deed shall control.

ARTICLE IX

SUBSCRIBERS

The names and addresses of the subscribers to these Articles of Incorporation are:

Roger H. Van Wie

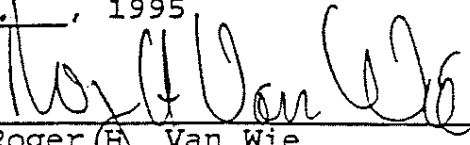
1201 - 48th Avenue North, Suite C
Myrtle Beach, SC 29577

ARTICLE X

INDEMNIFICATION

The Association shall indemnify any person who is made a party or is threatened to be made a party to any claim, suit, proceeding or liability by reason of the fact that he is or was a director, officer, employee, agent or representative of the Association to the fullest extent permitted by law, and the Association may advance expenses to any such person to the fullest extent permitted by law. The Association shall also have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, agent or representative of the Association against any liability asserted against him in any such capacity.

IN WITNESS WHEREOF, the said subscribers have hereunto set
their hands this 22nd day of Nov., 1995



Roger H. Van Wie

SECRETARY OF STATE

NONPROFIT CORPORATION

ARTICLES OF INCORPORATION

FILED

NOV - 8 1995

AM

7 8 9 10 11 12 1 2 3 4 5

A

- Instructions:
- (1) Must be typewritten or printed
 - (2) Must file this original and one copy.
 - (3) Must include \$25 fee payable to the Secretary of State.
 - (4) Should your articles be refused, you will receive written notification within five days.

1. The name of this corporation is (33-31-401) _____

Magnolia Place Property Owners' Association, Inc.

2. The initial registered office of the corporation is:

1201 48th Avenue North Myrtle Beach Horry
Street Address City County

South Carolina 29577
State, Zip Code
[The complete address is required by SC Code 33-31-202(a)3]

3. The name of the registered agent at the above office is:

Roger Van Wie

4. Check either (a), (b), or (c). Check only one box.

- ☐ The nonprofit corporation is a public benefit corporation.
- ☐ The nonprofit corporation is a religious corporation.
- ☒ The nonprofit corporation is a mutual benefit corporation.

5. Check (a) or (b), whichever is applicable:

- ☒ This corporation will have members who will vote for the board of directors. See Section 33-31-202(a)5.
- ☐ This corporation will not have members.

CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE.

NOV 18 1995


SECRETARY OF STATE OF SOUTH CAROLINA

6. The address of the principal office of the nonprofit corporation is:

1201 48th Avenue North
Street Address

Myrtle Beach Horry South Carolina 29577
City, County, State, Zip Code

[The complete address is required by SC Code 33-31-202(a)7]

7. If the corporation is either public benefit or religious, complete either (a) or (b) below. Do not check both.
[This information is required by 33-31-202(a)6]

[] Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)3 of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the court of common pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

[] Upon dissolution of the corporation, consistent with law, the remaining assets of the corporation shall be distributed to:

8. If the corporation is a mutual benefit corporation, complete either (a) or (b) to describe how the assets of the corporation will be distributed upon dissolution of the corporation.

[X] Upon dissolution of the mutual benefit corporation, the assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

[] Upon dissolution of the mutual benefit corporation the assets, consistent with law, shall be distributed to

9. Please include any optional-provisions which the nonprofit elects to include in these articles of incorporation. See Section 33-31-202(b) through 33-31-202(e).

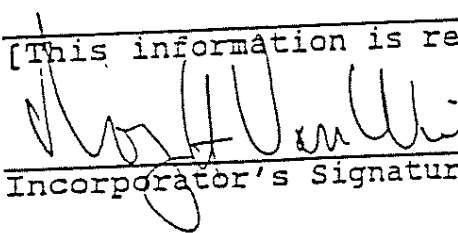
None

10. The name and address of each incorporator is as follows:

Roger Van Wie, 1201 48th Avenue North, Myrtle Beach, SC 29577

[This information is required by SC Code 33-31-202(a)4]

11.


Incorporator's Signature [33-31-202(d)]

Roger Van Wie
Incorporator's Name (typed)

Incorporator's Signature

Incorporator's Name (typed)

12.

Signature of any director named in these articles

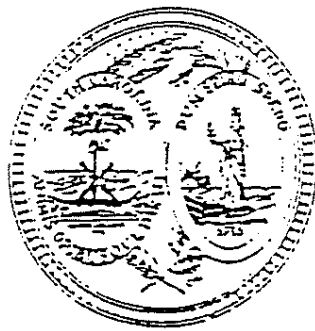
Director's Name (typed)

Signature of any director named in these articles

Director's Name (typed)

Date and Time

The State of South Carolina



Office of Secretary of State Jim Miles Certificate of Incorporation, Nonprofit Corporation

I, Jim Miles, Secretary of State of South Carolina Hereby certify that:

MAGNOLIA PLACE PROPERTY OWNERS' ASSOCIATION, INC.,
a nonprofit corporation duly organized under the laws of the state of South Carolina on November 8th, 1995, and having a perpetual duration unless otherwise indicated below, has as of the date hereof filed a Declaration and Petition for Incorporation of a nonprofit corporation for Religious, Educational, Social, Fraternal, Charitable or other eleemosynary purpose.

Now, therefore, I Jim Miles, Secretary of State, by virtue of the authority in me vested, by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto, do hereby declare the organization to be a body politic and corporate, with all the rights, powers, privileges and immunities, and subject to all the limitations and liabilities, conferred by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto.

Given under my Hand and the Great Seal of
the State of South Carolina this 9th day of
November, 1995.

A handwritten signature in black ink, reading "Jim Miles", is written over a horizontal line.

Jim Miles, Secretary of State

EXHIBIT "E"
~~BY-LAWS~~

OF

MAGNOLIA PLACE PROPERTY OWNERS' ASSOCIATION, INC.

Article I

Name, Principal Office and Definitions

Section 1. Name. The name of the Association shall be Magnolia Place Property Owners' Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The principal office of the Association in the State of South Carolina shall be located in Myrtle Beach, County of Horry. The Association may have such other offices, either within or without the State of South Carolina, as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Master Deed for Magnolia Place Horizontal Property Regime, as amended, renewed or extended from time to time, as hereinafter sometimes referred to as the "Master Deed", unless the context shall prohibit.

Article II

Association: Membership, Meetings, Quorum, Voting, Proxies

Section 1. Membership. The Association shall have two (2) classes of membership, Class "I" and Class "II", as more fully set forth in the Articles of Incorporation, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Voting Members as may be designated by the Board of Directors either within the properties or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first meeting of the membership, whether a regular or special meeting, shall be held within ninety (90) days after the expiration of one (1) year from the date of incorporation of the Association. The next annual meeting shall be set by the Board so as to occur no more than ninety (90) days after the close of the Association's fiscal year. Subsequent regular annual meetings of the membership shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board. Subject to the

foregoing, the annual meeting shall be held at a date and time as set by the Board of Directors.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Voting Members representing at least ten (10%) percent of the total votes of the Association. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the Members shall be delivered either personally or by mail, to each Voting Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary.

In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Voting Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted.

Section 8. Voting. The voting rights of the Members shall be as set forth in the Articles of Incorporation, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies. Voting Members may vote in person or by Proxy.

Section 10. Majority. As used in these By-Laws, the term "majority" shall mean those votes, Owners or other group as the context may indicate, totaling more than fifty (50%) percent of the total number.

Section 11. Quorum. Except as otherwise provided in these By-Laws or in the Master Deed or Articles of Incorporation, the presence in person or by alternate of the Voting Members representing fifty-one (51%) percent of the total vote of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Master Deed concerning quorums is specifically incorporated herein. So long as a quorum is present at the opening of the meeting, business may be transacted until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum in attendance. Further, at any adjourned meeting at which a quorum is present at the reconvening of such meeting, any business may be transacted which might have been transacted at the original meeting notwithstanding the withdrawal of enough members to leave less than a quorum in attendance.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

Section 13. Action Without a Meeting. Any action required by law to be taken at a meeting of the Voting Members, or any action which may be taken at a meeting of the Voting Members, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Voting Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Voting Members.

Article III

Board of Directors, Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors each of whom shall have one (1) vote. Except as provided in Section 2 of this Article, the Directors shall be Members. In the case of an Owner

which is a corporation or partnership, the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a Director.

Section 2. Directors During Class "II" Control. The Directors who shall serve on the Board of Directors of the Association shall be selected by the Class "II" Member acting in its sole discretion and shall serve at the pleasure of the Class "II" Member until the first annual meeting of the membership following termination of Class II control at which time the Board of Directors shall be increased to five (5) Members.

Within one hundred twenty (120) days thereafter, the Class "II" member shall call a meeting, as provided in Article II, Section 4, of these By-Laws for special meetings, to advise the membership of the termination of the Class "II" member's control or, in the alternative, shall notify each member by U. S. Mail that the Class II membership has terminated.

The Directors selected by the Class "II" member pursuant to this Section need not be Members as provided in Section 1 of this Article.

Section 3. Veto. This Section 3 may not be amended without the express, written consent of the Class "II" member, so long as the Class "II" membership exists.

So long as the Class "II" membership exists, the Class "II" member shall have a veto power over all actions of the Board and any committee, as is more fully provided in this Section. This veto power shall be exercisable only by the Class "II" member, its successors, and assigns who specifically take this power in a recorded instrument. The veto power shall be as follows:

No action authorized by the Board of Directors or any committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

(a) The Class "II" member shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings with Article III, Sections 10 and 11, of these By-Laws as to regular and special meetings of the Directors and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Class "II" member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of the meeting relative to any prospective action, policy, or program to be implemented by the Board, any committee, or the Association. The Class "II" member and its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Class "II" member shall have and is hereby granted a veto power over any such action, policy, or program authorized by any committee or the Board of Directors and to be taken by any committee or Board of the Association or any individual member of the Association if Board, committee, or Association approval is necessary for said action. This veto may be exercised by the Class "II" member, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. Any veto shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association.

Section 4. Number of Directors. The number of Directors in the Association shall not be less than three (3) nor more than five (5), as provided below. The initial Board shall consist of three (3) members as identified in the Articles of Incorporation.

Section 5. Nomination of Directors. Except with respect to Directors selected by the Class "II" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Voting Members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each such annual meeting. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Section 6. Election and Term of Office. Notwithstanding any other provision contained herein:

(a) Within ninety (90) days after the time Class "I" Members own eighty (80) UNITS within the Horizontal Property Regime and certificates of occupancy have been issued thereon, or whenever the Class "II" Member earlier determines, the Association shall call a special meeting to be held at which Voting Members other than the Class "II" Member shall elect one (1) of the three (3) Directors who shall be an at-large director. The Director so elected shall not be subject to removal by the Class "II" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (b) below, whichever is shorter. If such Director's term expires prior to the

happening of the event described in subsection (b) below, a successor shall be elected for a like term.

(b) At the first annual meeting of the membership after the termination of the Class "II" control and at each annual meeting of the membership thereafter, Directors shall be elected by the Voting Members for terms as outlined below.

At the first annual meeting after the termination of Class II control, five (5) Directors shall be elected. Two of the Directors, elected pursuant to this Section, shall be elected to serve for a term of three (3) years. Two (2) of the remaining Directors shall be elected to serve for a term of two (2) years, with the final Director elected to serve for a one (1) year term. Members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association. Directors may be elected shall not serve any consecutive terms. Each member elected thereafter shall be elected for a two (2) year term.

Section 7. Removal of Directors and Vacancies. Any Director of the Association may be removed, with or without cause, by a vote of the Voting Members with a majority vote of the membership. Any Director whose removal is sought will be given notice prior to any meeting called for that purpose. Upon removal of a Director, a successor shall then and there be elected to fill the vacancy by the Voting Members responsible for such removal.

Any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment for more than thirty (30) days may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board. In the event of the death, disability, or resignation of a Director, a vacancy may be declared by the Board and it may appoint a successor. Any Director appointed by the Board shall serve for the remainder of the term such successor was appointed to fill.

Section 8. Voting Procedure for Directors. At any election of Directors to the Board of Directors, each Voting Member may cast, in respect to each vacancy, as many votes as he or she is entitled to exercise under the Articles of Incorporation. The candidates receiving the largest number of votes shall be elected.

B. Meetings.

Section 9. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 10. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to Directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 11. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by a majority of Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or (d) by telegram, charges prepaid. All such notices shall be given by use of the Director's telephone number or shall be sent to the Director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least three (3) days before the time set for the meeting.

Section 12. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 13. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of

the Directors who are present at such meeting may adjourn the meeting until such time and place as they may determine. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 14. Compensation. No Director shall receive any compensation from the Association for acting as such unless approved by Members holding a majority of the total vote of the Association at a regular or special meeting of the Association; provided any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors.

Section 15. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 16. Open Meetings. Subject to the provisions of Section 17 of this Article, all meetings of the Board shall be open to all Voting Members, but Voting Members other than Directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Director. In such case, the President may limit the time any Voting Member may speak.

Section 17. Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 18. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Master Deed, Articles, or these By-Laws directed to be done and exercised exclusively by the Voting Members or the membership generally.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may be hereafter adopted, the

Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board of Directors, the annual assessment for each UNIT'S proportionate share of the Common Expenses shall be payable in equal monthly installments, or as determined by the Board of Directors;

(c) providing for the operation, care, upkeep, and maintenance of all of the Common Areas;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the Directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Master Deed and these By-Laws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Master Deed, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Master Deed, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable to Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting principles;

(m) making available to any prospective purchaser of a UNIT, any Owner of a UNIT, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any UNIT, current copies of the Master Deed, the Articles of Incorporation, the By-Laws, rules governing the UNIT, and all other books, records, and financial statements of the Association; and

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the properties.

Section 19. Management Agent.

(a) The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (a), (b), (f), (g), and (i) of Section 18 of this Article. The GRANTOR, or an affiliate of the GRANTOR, may be employed as managing agent or manager.

(b) No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee or penalty on ninety (90) days' or less written notice.

Section 20. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls shall conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise unless it benefits the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the month in which the first UNIT is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a variance report reflecting the status of all Association ledger accounts in an "actual" versus "approved" budget format;

(iii) a balance sheet as of the last day of the preceding period; and

(iv) a delinquency report listing all Owners who are delinquent in paying the assessments at the time of the report and describing the status of any action to collect such installments which remain delinquent (A monthly installment of the assessment shall be considered to be delinquent on the fifteenth (15th) day of each month unless otherwise determined by the Board of Directors); and

(g) an annual report as of the end of the fiscal year consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited basis, by an independent certified public accountant for each fiscal year.

Section 21. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Areas or for the purpose of funding budgetary shortfalls, without the approval of the membership; provided, however, the Board shall obtain Voting Member approval by majority

vote for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year.

Section 22. Rights of the Association. With respect to the Common Areas, and in accordance with the Articles of Incorporation and By-Laws of the Association, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or neighborhood and other Owners or residents associations, both within and without the properties. Such agreements shall require the consent of two-thirds (2/3) of all Directors of the Association.

The Association shall not be bound, either directly or indirectly, by any contract, lease, or other agreement (including any management contract) executed during the period of Class "II" control unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time, with or without cause, upon not more than ninety (90) days notice to the other party.

Notwithstanding anything to the contrary contained herein, the Association, through its Board of Directors, shall have the right to enter into a declaration of easement and covenant to share costs or similar arrangement whereby the Association assumes maintenance responsibility for property which it does not own, or grants easements to entities which are not Members, in consideration for payment by the Owner of such property or such nonmembers of all or a portion of the costs associated with such maintenance or use.

Section 23. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or to use the Common Area for violation of any duty imposed under the Master Deed, these By-Laws, or any rules and regulations adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a UNIT. In the event that any occupant of a UNIT violates the Master Deed, By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Master Deed, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) Notice. Prior to imposition of any sanction hereunder, except the suspension of voting rights for nonpayment of assessments, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) Hearing. If a hearing is requested in a timely manner, the hearing before the Covenants Committee shall be held in executive session affording the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within thirty (30) days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Master Deed, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Article IV Officers

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of

Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the membership, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have the responsibility for the preparation of the budget as provided for in the Master Deed.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors. Provided however, agreements, contracts and checks may be executed by the Management Agent.

Article V Committees

Section 1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 2. Covenants Committee. In addition to any other committees which may be established by the Board pursuant to Section 1 of this Article, the Board of Directors may appoint a Covenants Committee consisting of at least five (5) and no more than seven (7) members. Acting in accordance with the provisions of the Master Deed, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and conduct all hearings held pursuant to Article III, Section 23 of these By-Laws.

Article VI Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law, the Articles of Incorporation, the Master Deed, or these By-Laws.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of South Carolina law, the Articles of Incorporation, the Master Deed, and these By-Laws, the provisions of South Carolina law, the Master Deed, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees. The Master Deed and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member or Voting Member, at the address which the Member or Voting Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the UNIT of such Member or Voting Member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6. Amendment. Prior to the conveyance of the first UNIT, GRANTOR may unilaterally amend these By-Laws. Thereafter and otherwise, but subject to the provisions hereinafter provided, these By-Laws may be amended only by the affirmative vote (in person or by alternate) or written consent of Voting Members representing sixty-seven (67%) percent of the total votes of the Association, including sixty-seven (67%) percent of the votes of Members other than the GRANTOR. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Further, no amendment of any provision reserving a right specifically in favor of the GRANTOR may be amended without the GRANTOR'S express consent. No amendment shall be effective until recorded in the public records of Horry County, South Carolina.

IN WITNESS WHEREOF, Magnolia Place Property Owners' Association, Inc., a South Carolina Corporation has caused these presents to be executed this 22nd day of NOVEMBER, 1995.

MAGNOLIA PLACE PROPERTY OWNERS'
ASSOCIATION, INC.

By: Roger H. Van Wie
Roger H. Van Wie, President

Exhibit "F"
The Maintenance Schedule

Description of Repair or Replacement of COMMON ELEMENTS	Required Frequency of Action (In Years)
Asphalt Pavement - Sealing	3
Asphalt Pavement - Repair/Replacement	6
Painting Facia, Trim & Handrails	3
Caulking/Sealants - Door & Windows	1 1/2
Exterior Carpet Replacement	5
Tree Replacement/Seasonal Color	1
Pressure Wash of Buildings	1
Replacement of Roof Shingles	20
Replacement of Pool Equipment	5
Pool Finish	5
Replacement of Pool Furnishings	5

STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)

AMENDMENT TO MASTER DEED
FOR MAGNOLIA PLACE HORIZONTAL
PROPERTY REGIME TO CORRECT
SCRIVENER'S ERROR

THIS AMENDMENT TO MASTER DEED is made this 27 day of November, 1995 by Heritage Communities, Inc., a South Carolina Corporation (hereinafter referred to as "GRANTOR").

W I T N E S S E T H :

WHEREAS, GRANTOR executed that certain Master Deed for Magnolia Place Horizontal Property Regime (the "Master Deed") dated November 22, 1995, which Master Deed was recorded November 22, 1995 in Deed Book 1833 at Page 1422, records of Horry County, South Carolina; and

WHEREAS, GRANTOR is the Owner of all of the UNITS submitted to the terms of the Master Deed pursuant to the terms thereof; and

WHEREAS, prior to the conveyance of any UNITS to third parties, GRANTOR desires to amend the terms of the Master Deed to correct a scrivener's error as hereinafter set forth:

NOW, THEREFORE, in consideration of the foregoing, the GRANTOR being the Owner of all of the UNITS within Magnolia Place Horizontal Property Regime, does hereby amend the Master Deed by deleting Exhibit "A" attached to the Master Deed in its entirety and substituting Exhibit "A" attached to this Amendment, which Exhibit "A" to this Amendment shall be deemed a part and parcel of the Master Deed in lieu of the Exhibit "A" originally attached to the Master Deed. All references in the Master Deed to Exhibit "A" and the property described therein shall hereafter be taken to refer to the Exhibit "A" attached to this Amendment and the property described therein.

IN WITNESS WHEREOF, Heritage Communities, Inc. has caused this AMENDMENT TO MASTER DEED to be made and entered into the day and year first above written.

In the Presence of:

Rose P. New
[Signature]

Heritage Communities, Inc.

BY:

[Signature]
Jack L. Green, President

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me the undersigned and made oath that s/he saw the within named Heritage Communities, Inc., by Its duly authorized officers, Sign, Seal and as Its Act and Deed Deliver the within written document; and s/he with the undersigned notary witnessed the execution thereof.

Rose P. New

SWORN to before me this 27th day of
November, 1995

[Signature]
Notary Public for South Carolina
My Commission Expires: 2-25-2001

EXHIBIT "A"
TO MASTER DEED FOR MAGNOLIA PLACE HORIZONTAL
PROPERTY REGIME

PHASE I

ALL AND SINGULAR, that certain piece, parcel or tract of land located in Horry county, South Carolina, containing 0.72 acres and being shown and designated as "Phase 6" on that certain map or plat entitled "PHASING PLAT OF PHASE 6, TRACT B, MAGNOLIA PLACE, WEST OF MYRTLE BEACH, HORRY COUNTY, SOUTH CAROLINA" prepared for Heritage Communities, Inc. by Robert L. Bellamy & Associates, Engineers & Surveyors, dated March 6, 1995, and recorded April 4th, 1995, in Plat Book 133 at Page 124 records of Horry County, South Carolina.

TOGETHER WITH a nonexclusive, appurtenant, perpetual easement over, under, through, and across the property described in Exhibit "A" to that certain Corrective Easement Agreement between Myrtle Beach Farms Company, Inc. and Heritage Communities, Inc., dated April 4, 1995, and recorded April 7th, 1995, in Deed Book 1793 at Page 991, as amended by instrument dated October 16, 1995 and October 17, 1995 in Deed Book 1826 at Page 1484, records of Horry County, South Carolina, and subject to and in accordance with the terms thereof, which is incorporated herein by this reference.

This being the identical property conveyed to Heritage Communities, Inc. hereby by Corrective Deed of Myrtle Beach Farms Company, Inc. dated April 4, 1995 and recorded April 7, 1995 in Deed Book 1793 at Page 998, records of Horry County, South Carolina.

RESERVING, HOWEVER, unto the GRANTOR, its successors and assigns, a non-exclusive perpetual, appurtenant easement for ingress, egress, and the installation and maintenance of utilities over, across and through that certain area designated as "22' INGRESS/EGRESS EASEMENT" on a plat prepared for Heritage Communities, Inc. by Robert L. Bellamy & Associates, Engineers & Surveyors dated March 6, 1995 and revised July 11, 1995 entitled "PHASING PLAT OF PHASE 6, TRACT B, MAGNOLIA PLACE, WEST OF MYRTLE BEACH, HORRY COUNTY, SOUTH CAROLINA" which plat is recorded in Plat Book 135 at Page 42, records of Horry County, South Carolina, reference to which is craved as forming a part and parcel of these presents.

PHASE II

ALL AND SINGULAR, all that certain piece, parcel or tract of land located in Horry County, South Carolina, containing 1.26 acres and being shown and designated as "Phase 5" on that certain map or plat entitled "PHASING PLAT OF PHASE 5, TRACT B, MAGNOLIA PLACE, WEST OF MYRTLE BEACH, HORRY COUNTY, SOUTH CAROLINA" prepared by Robert L. Bellamy & Associates, Engineers & Surveyors, for Heritage Communities, Inc. dated March 6, 1995, and recorded April 7, 1995 in Plat Book 133 at Page 123, records of Horry County, South Carolina, reference to which is carved as forming a part of these presents.

TOGETHER WITH a nonexclusive, appurtenant, perpetual easement over, under, through, and across the property described in Exhibit "A" to that certain Corrective Easement Agreement between Myrtle Beach Farms Company, Inc. and Heritage Communities, Inc., dated April 4, 1995 and recorded April 7, 1995 in Deed Book 1793 at Page 991, as amended by instrument dated October 16, 1995 and recorded October 17, 1995 in Deed Book 1826 at Page 1484, records of Horry County, South Carolina, and subject to and in accordance with the terms thereof, which is incorporated herein by this reference.

RESERVING, HOWEVER, to the GRANTOR, its successors and assigns, a perpetual, non-exclusive, appurtenant, easement for ingress, egress and installation and maintenance of utilities over, across and through that certain area shown and designated as "22' INGRESS/EGRESS EASEMENT" on a map prepared by Robert L. Bellamy & Associates, Engineers & Surveyors dated March 6, 1995, revised July 11, 1995 entitled "PHASING PLAT OF PHASE 5, TRACT B, MAGNOLIA PLACE, WEST OF MYRTLE BEACH, HORRY COUNTY, SOUTH CAROLINA" surveyed for Heritage Communities, Inc., which plat is recorded in Plat Book 135 at Page 41, records of Horry County, South Carolina, reference to which is carved as forming a part and parcel of these presents.

This being the identical property conveyed to Heritage Communities, Inc. hereby by Deed of Myrtle Beach Farms Company, Inc. dated April 4, 1995 and recorded April 7, 1995 in Deed Book 1793 at Page 1003, records of Horry County, South Carolina.

FILED
HORRY COUNTY
90 AUG 31 AM 10:40
R.M.

FORTY-FOURTH AMENDMENT TO MASTER DEED FOR
MAGNOLIA PLACE HORIZONTAL PROPERTY REGIME,
SAID MASTER DEED BEING DATED NOVEMBER 22, 1995, AND
RECORDED NOVEMBER 22, 1995, IN DEED BOOK 1833 AT PAGE 1422.
RECORDS OF HORRY COUNTY

Pursuant to the terms and conditions of the aforesaid Master Deed and related documents, Heritage Communities, Inc., a South Carolina Corporation, herein and hereby amends the said Master Deed and related documents as set out herein for the purpose of submitting **Phase XLVI** to Magnolia Place Horizontal Property Regime.

Therefore, Heritage Communities, Inc., a South Carolina Corporation, having its principal office at Myrtle Beach, County of Horry, State of South Carolina, hereinafter referred to as the GRANTOR, as the sole owner in fee simple of the land and improvements hereinafter described, does hereby make, declare and publish its intention and desire to submit, and does hereby submit the land and building hereinbelow described (**Phase XLVI**), together with all other improvements thereon, including all easements, rights and appurtenances thereto belonging, to a Horizontal Property Regime (sometimes termed "condominium" ownership) known as Magnolia Place Horizontal Property Regime, in the manner provided for by Sections 27-31-10 through 27-31-300 (both inclusive) of Chapter 31 entitled "Horizontal Property Act of the 1976 Code of Laws of South Carolina" as amended, and as provided for in the Master Deed creating Magnolia Place Horizontal Property Regime, dated November 22, 1995, and recorded November 22, 1995, in Deed Book 1833 at Page 1422, records of Horry County.

Article I and Exhibit A of the Master Deed are hereby amended to add thereto the following described additional land together with all buildings and other improvements thereon which are hereby submitted to the Horizontal Property Regime:

ALL AND SINGULAR, all that certain piece, parcel or tract of land located in Horry County, South Carolina, containing **0.26 acres** and being shown and designated as "**Phase 46**", on that certain map or plat entitled "**REVISED PHASING PLAT OF PHASE 46, TRACT A, MAGNOLIA PLACE, WEST OF MYRTLE BEACH, HORRY COUNTY, SOUTH CAROLINA**" prepared by Robert L. Bellamy & Associates, Engineers & Surveyors, for Heritage Communities, Inc. dated July 23, 1997, and recorded July 28, 1998, in Plat Book 156, at Page 209, records of Horry County, South Carolina, reference to which is craved as forming a part of these presents.

TOGETHER with a nonexclusive, appurtenant, perpetual easement over, under, through, and across the property described in Exhibit "A" to that certain Corrective Easement Agreement between Myrtle Beach Farms Company, Inc. and Heritage Communities, Inc., dated April 4, 1995, and recorded April 7, 1995, in Deed Book 1793 at Page 991, as amended by instrument dated October 16, 1995, and recorded October 17, 1995, in Deed Book 1826, at Page 1484, instrument dated April 29, 1997, and recorded April 30, 1997, in Deed Book 1937, at Page 1346 and instrument dated June 20, 1997, and recorded July 1, 1997, in Deed Book 1954, at Page 1443, which instrument was re-recorded September 18, 1997, in Deed Book 1975, at Page 200, records of Horry County, South Carolina, and subject to and in accordance with the terms thereof, which is incorporated herein by this reference.

This is a portion of the property conveyed to the GRANTOR herein by deed of Myrtle Beach Farms Company, Inc. dated December 1, 1997, and recorded December 2, 1997, in Deed Book 1995, at Page 758, records of Horry County, South Carolina.

The within conveyance is subject to all easements of record and/or upon the ground and to all restrictions, reservations, covenants and agreements, including, but not limited to, those shown upon the aforesaid map.

Pursuant to Section 27-31-100 of the South Carolina Code (1976), as amended, notice is given that all activities on or over and all uses of any submerged land or other critical areas are subject to the jurisdiction of the South Carolina Coastal Council, including, but not limited to, the requirements that any activity or use must be authorized by the South Carolina Coastal Council. Pursuant to said Section, any owner is liable to the extent of his ownership for any damages to, any inappropriate or unpermitted uses of, and any duties or responsibilities concerning any submerged land, coastal waters, or any other critical area.

Article II of the Master Deed is amended to add thereto the following:

Annexed hereto and expressly made a part hereof, as **Exhibit B-45**, is a plot plan showing the location of the buildings and other improvements of **Phase XLVI** and a set of floor plans of the building which shows graphically the dimension and location of **COMMON ELEMENTS** and **LIMITED COMMON ELEMENTS** affording access to each **UNIT**. Each **UNIT** is identified by a specific number on said **Exhibit B-45**, and no **UNIT** bears the same designation as any other **UNIT**.

Exhibit B-45 is also recorded as a separate condominium plat in the public records of aforesaid Horry County, maintained by the Register of Mesne Conveyances in Condominium Plat Book C at Page 672.

Article XII of the Master Deed is amended to add the following:

Further, annexed hereto and made a part hereof as Exhibit C-45 is a table of statutory values and percentage interests which reflects the addition of Phase XLVI as a part of Magnolia Place Horizontal Property Regime.

GENERALLY: The said Master Deed is further amended in all particulars, generalities and references so as to reflect and include the submission of and intent to submit the said Phase XLVI to the Horizontal Property Regime and to reserve all rights to submit Phases XLVII through LX, or any of them.

IN WITNESS WHEREOF, Heritage Communities, Inc., a South Carolina Corporation, has caused these presents to be executed this 25 day of August, 1998.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Rose P. New
C. W. [Signature]

HERITAGE COMMUNITIES, INC.

By:

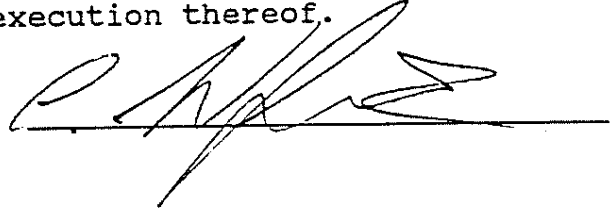
Its

[Signature]
[Signature]

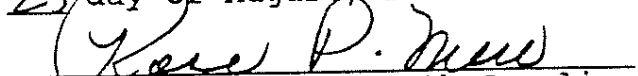
STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that s/he saw the within named Heritage Communities, Inc., a South Carolina Corporation, by its duly authorized Officer(s), Sign, Seal and as its Act and Deed deliver the within written FORTY-FOURTH AMENDMENT TO MASTER DEED; and that s/he with the undersigned notary witnessed the execution thereof.



SWORN to before me this
25 day of August, 1998.


Notary Public for South Carolina

My Commission Expires: 02-06-05

**MAGNOLIA PLACE
HORIZONTAL PROPERTY REGIME**

PHASE XLVI

**EXHIBIT "B-45"
TO
MASTER DEED**

NOTE: Exhibit "B-45" is a survey prepared by Robert L. Bellamy & Associates, Inc., dated August 22, 1998, (the "Survey"), which shows the location of the Building and other improvements (as well as buildings previously submitted and made a part of Magnolia Place Horizontal Property Regime) and a set of floor plans dated September 19, 1997, prepared by Pegram Associates, Inc., Architects/Planners, (the "Plans"), which show graphically the dimensions, area and location of each UNIT therein, and the dimensions, area and location of COMMON ELEMENTS and LIMITED COMMON ELEMENTS affording access to each UNIT. Both the Survey and Plans are recorded in Condominium Plat Book C at Page 672, records of Horry County, South Carolina and are incorporated herein by this reference. Said Exhibit further includes the following:

There is one (1) Building, also identified as Building 46 containing twelve (12) UNITS in Phase XLVI. Each UNIT is identified by the Building number as shown on the Survey followed by a dash and a three (3) digit number as shown on the Plans. Each UNIT which has the number "46" as the first digit(s) of its UNIT identification number is located in Building 46, as shown on the Survey and Plans. Phase XLVI, for purposes of this Master Deed shall consist of Building 46 as shown on the Survey and the UNITS contained therein. The Building is three (3) levels in height and contains four (4) UNITS on each level. All UNITS having the number "1" as the third digit of its UNIT identification number (being the number immediately following the dash) are located on level one of the Building. All UNITS having the number "2" as the third digit of its UNIT identification number are located on level two of the Building. All UNITS having the number "3" as the third digit of its UNIT identification number are located on level three of the Building. Each UNIT is individually designated using the UNIT identification number shown both on the Plans and on Exhibit "C-45" to this Master Deed.

As shown on the Plans, each UNIT has an entrance door opening onto a corridor which corridor is a COMMON ELEMENT. Access to the second and third level of the building is by way of two (2) sets of stairways, which stairways are COMMON ELEMENTS.

Parking is provided in the parking areas shown on the Survey within the property being submitted herewith, as well as the property previously submitted as Phase I through Phase XLV,

pursuant to the terms of this Master Deed. The parking areas are also COMMON ELEMENTS.

UNITS 46-102, 46-202 and 46-302 are one (1) bedroom UNITS and UNITS 46-101, 46-201, 46-301, 46-103, 46-203, 46-303, 46-104, 46-204 and 46-304 are two (2) bedroom UNITS as shown on the Plans. Each One (1) bedroom UNIT, as shown on the Plans, contains a Great Room, one and a half baths, closets, a kitchen and a mechanical room. Each two (2) bedroom UNIT, as shown on the plans, contains a living area, dining area, kitchen, two (2) bedrooms, two (2) baths and closets as shown on the Plans. The patios and decks, and any storage rooms located thereon as shown on the Plans, are LIMITED COMMON ELEMENTS for the use and benefit of the UNIT from which it is directly accessible and adjacent to.

As to each UNIT: All built-in kitchen appliances, the refrigerator, heating and air-conditioning units and condensers, hot water heaters and bathroom fixtures located in each UNIT are a part of the UNIT in which they are located and are not COMMON ELEMENTS. The air handling units which serve each UNIT are a part of the UNIT which it serves and are not COMMON ELEMENTS, notwithstanding that they are located outside of the UNIT.

Reference to areas as COMMON ELEMENTS or areas in this Exhibit shall be in addition to and read in conjunction with the further designations of Common Elements and areas as set out in the Master Deed and the Survey and Plans making up the balance of this Exhibit "B-45".

This Exhibit "B-45" shall be amended if Phase XLVI through Phase LX or any one or more of them, shall become a part of the Horizontal Property Regime in accordance with the terms of this Master Deed.



RE: Building 46, Magnolia Place
Horizontal Property Regime
4787 Wild Iris Drive
Myrtle Beach, South Carolina

J. Thomas Pegram
Dennis H. Springs
David S. Glymph
Kenneth N. Heit

The attached plans by Pegram Associates, Inc. of Myrtle Beach, S.C., consist of 3 sheets numbered and dated or revised as follows:

A1 [9/19/97] (9 2-BR's/3 1-BR'S, #'s 101, 102, 103, 104
201, 202, 203, 204
301, 302, 303, 304)

A5 [9/19/97]

A6 [9/19/97]

The visible components of the completed building, comprising Building 46 of this project, appear to conform to the attached plans. The floor plans show graphically the dimensions, area, and location of the proposed units; and the dimensions, area and location of the proposed common elements affording access to each unit. Other proposed common elements, both limited and general, are shown graphically insofar as possible. In addition, the suggested number of each unit has been shown on the plans. The undersigned is the "Architect of Record" on the subject building, but did not provide construction observation of the subject building, and therefore can make no confirmation of conformance to the attached drawings beyond the general conformance noted above.

PEGRAM ASSOCIATES, INC.

by 

date 8/24/98

**MAGNOLIA PLACE
HORIZONTAL PROPERTY REGIME**

**EXHIBIT "C-45
TO
MASTER DEED**

Schedule of percentage (%) of undivided interest in the COMMON ELEMENTS appurtenant to UNITS in Magnolia Place, a condominium, including Phases I through Phase XLVI Statutory Value is for statutory purposes only and has no relationship to the actual value of each UNIT.

UNIT Number	Statutory Value	Percentage Interest (Phases I through XLVI)
PHASE I		
6-101	49,000	.12973
6-102	69,000	.18268
6-103	69,000	.18268
6-104	69,000	.18268
6-105	49,000	.12973
6-201	49,000	.12973
6-202	69,000	.18268
6-203	69,000	.18268
6-204	69,000	.18268
6-205	49,000	.12973
6-301	49,000	.12973
6-302	69,000	.18268
6-303	69,000	.18268
6-304	69,000	.18268
6-305	49,000	.12973
PHASE II		
5-101	49,000	.12973
5-102	69,000	.18268
5-103	69,000	.18268
5-104	69,000	.18268
5-105	49,000	.12973
5-201	49,000	.12973

5-202	69,000	.18268
5-203	69,000	.18268
5-204	69,000	.18268
5-205	49,000	.12973
5-301	49,000	.12973
5-302	69,000	.18268
5-303	69,000	.18268
5-304	69,000	.18268
5-305	49,000	.12973
PHASE III		
7-101	49,000	.12973
7-102	69,000	.18268
7-103	69,000	.18268
7-104	69,000	.18268
7-105	35,000	.09267
7-201	49,000	.12973
7-202	69,000	.18268
7-203	69,000	.18268
7-204	69,000	.18268
7-205	35,000	.09267
PHASE IV		
8-101	49,000	.12973
8-102	69,000	.18268
8-103	69,000	.18268
8-104	69,000	.18268
8-105	35,000	.09267
8-201	49,000	.12973
8-202	69,000	.18268
8-203	69,000	.18268
8-204	69,000	.18268
8-205	35,000	.09267
8-301	49,000	.12973
8-302	69,000	.18268

8-303	69,000	.18268
8-304	69,000	.18268
8-305	35,000	.09267
PHASE V		
36-101	49,000	.12973
36-102	69,000	.18268
36-103	69,000	.18268
36-104	69,000	.18268
36-105	35,000	.09267
36-201	49,000	.12973
36-202	69,000	.18268
36-203	69,000	.18268
36-204	69,000	.18268
36-205	35,000	.09267
PHASE VI		
35-101	49,000	.12973
35-102	69,000	.18268
35-103	69,000	.18268
35-104	69,000	.18268
35-105	49,000	.12973
35-201	49,000	.12973
35-202	69,000	.18268
35-203	69,000	.18268
35-204	69,000	.18268
35-205	49,000	.12973
35-301	49,000	.12973
35-302	69,000	.18268
35-303	69,000	.18268
35-304	69,000	.18268
35-305	49,000	.12973
PHASE VII		
9-101	49,000	.12973
9-102	69,000	.18268

9-103	69,000	.18268
9-104	69,000	.18268
9-105	49,000	.12973
9-201	49,000	.12973
9-202	69,000	.18268
9-203	69,000	.18268
9-204	69,000	.18268
9-205	49,000	.12973
9-301	49,000	.12973
9-302	69,000	.18268
9-303	69,000	.18268
9-304	69,000	.18268
9-305	49,000	.12973
PHASE VIII		
10-101	49,000	.12973
10-102	69,000	.18268
10-103	69,000	.18268
10-104	69,000	.18268
10-105	49,000	.12973
10-201	49,000	.12973
10-202	69,000	.18268
10-203	69,000	.18268
10-204	69,000	.18268
10-205	49,000	.12973
10-301	49,000	.12973
10-302	69,000	.18268
10-303	69,000	.18268
10-304	69,000	.18268
10-305	49,000	.12973
PHASE IX		
12-101	49,000	.12973
12-102	69,000	.18268
12-103	69,000	.18268

12-104	69,000	.18268
12-105	35,000	.09267
12-201	49,000	.12973
12-202	69,000	.18268
12-203	69,000	.18268
12-204	69,000	.18268
12-205	35,000	.09267
12-301	49,000	.12973
12-302	69,000	.18268
12-303	69,000	.18268
12-304	69,000	.18268
12-305	35,000	.09267
PHASE X		
11-101	49,000	.12973
11-102	69,000	.18268
11-103	69,000	.18268
11-104	69,000	.18268
11-105	49,000	.12973
11-201	49,000	.12973
11-202	69,000	.18268
11-203	69,000	.18268
11-204	69,000	.18268
11-205	49,000	.12973
11-301	49,000	.12973
11-302	69,000	.18268
11-303	69,000	.18268
11-304	69,000	.18268
11-305	49,000	.12973
PHASE XI		
34-101	49,000	.12973
34-102	69,000	.18268
34-103	69,000	.18268
34-104	69,000	.18268

34-105	35,000	.09267
34-201	49,000	.12973
34-202	69,000	.18268
34-203	69,000	.18268
34-204	69,000	.18268
34-205	35,000	.09267
34-301	49,000	.12973
34-302	69,000	.18268
34-303	69,000	.18268
34-304	69,000	.18268
34-305	35,000	.09267
PHASE XII		
33-101	49,000	.12973
33-102	69,000	.18268
33-103	69,000	.18268
33-104	69,000	.18268
33-105	49,000	.12973
33-201	49,000	.12973
33-202	69,000	.18268
33-203	69,000	.18268
33-204	69,000	.18268
33-205	49,000	.12973
33-301	49,000	.12973
33-302	69,000	.18268
33-303	69,000	.18268
33-304	69,000	.18268
33-305	49,000	.12973
PHASE XIII		
32-101	49,000	.12973
32-102	69,000	.18268
32-103	69,000	.18268
32-104	69,000	.18268
32-105	49,000	.12973

32-201	49,000	.12973
32-202	69,000	.18268
32-203	69,000	.18268
32-204	69,000	.18268
32-205	49,000	.12973
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PHASE XIV		
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13-102	69,000	.18268
13-103	69,000	.18268
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13-305	49,000	.12973
PHASE XV		
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28-305	49,000	.12973
PHASE XVI		
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PHASE XVII		
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PHASE XVIII		
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PHASE XIX		
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PHASE XX		
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PHASE XXI		
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PHASE XXIII		
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PHASE XXIV		
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PHASE XXV		
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PHASE XXVI		
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PHASE XXVII		
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PHASE XXIX		
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PHASE XXX		
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PHASE XXX11		
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PHASE XXXIII		
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PHASE XXXIV		
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PHASE XXXV		
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PHASE XXXVI		
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PHASE XXXVII		
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PHASE XXXVIII		
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PHASE XXXIX		
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45-304	69,000	.18268
PHASE XL		
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PHASE XLI		
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PHASE XLII		
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PHASE XLIII		
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PHASE XLIV		

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PHASE XLV		
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PHASE XLVI		
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46-302	49,000	.12973
46-303	69,000	.18268
46-304	69,000	.18268
Total Statutory Value for Phases I through XLVI	\$37,770,000.00	100.000% (rounded to nearest one thousandth)

The foregoing schedule may be amended in accordance with the Master Deed and **Exhibit "C"** thereto in the event additional phase(s) are submitted in accordance with the terms of the Master Deed.

FAX COVER SHEET

HERITAGE COMMUNITIES

1201 48th Ave. N., Suite C, Myrtle Beach, SC 29577; Phone (803) 449-6200
Fax (803) 449-5038

Date: 3 March 1997

To: Ally Property Management
Attn: Cindy Bonner
Fax: 497-3652

From: Jill Riordan
Heritage Communities

Subject: Long Term Buildings at Magnolia Place

Number of pages (including cover sheet): 1

Cindy,

The only long term rental buildings at Magnolia Place are:

7, 8, 9, 12, 30, 33, 36

If you experience any difficulty in receiving this fax, please contact the
office at the above number